

CHAPTER 35
INDUSTRIAL TECHNOLOGY FORGIVABLE LOAN PROGRAM

283—35.1(77GA,ch1215) Industrial technology forgivable loan program. The industrial technology forgivable loan program is a state-supported and administered forgivable loan program for Iowans enrolled as undergraduate students in an approved industrial technology education program.

35.1(1) Definitions. As used in this chapter:

“Eligible institution” means an institution of higher learning under the control of the state board of regents, a North Central Association of Colleges (NCA) accredited independent institution as defined in Iowa Code section 261.9, or a state-supported community college.

“Iowa resident student” means an individual who meets the criteria used by the state board of regents to determine residency for tuition purposes, 681 IAC 1.4(262).

35.1(2) Student eligibility.

a. An applicant must be an Iowa resident who is enrolled as a sophomore, junior or senior in the area of industrial technology education or is enrolled in the area of industrial technology at a community college and the credits for the coursework in industrial technology are transferable to an eligible Iowa regent or independent institution’s accredited education program.

b. The need of an applicant for assistance under this program shall be evaluated annually on the basis of a confidential statement of family finances filed on forms designated by the commission. The processing agent must receive the form by the date specified in the application instructions. The student is responsible for making certain that both the commission and the institution in which the student is enrolling receive the results of this evaluation.

c. An applicant must complete and file an application for the industrial technology forgivable loan program. Applicants must submit the application by the deadline established by the commission. If funds remain available after the application deadline, the commission will continue to accept applications.

d. The maximum annual award to an eligible student is \$3,000, or the amount of the student’s established financial need, whichever is less.

35.1(3) Selection criteria. All applications received on or before the published deadline will be considered for funding. In the event that all applicants for the program cannot be funded with the available appropriations, the following selection criteria will be used to select the recipients: renewal status, date of application, date available to begin teaching, and applicant’s financial resources.

35.1(4) Promissory note. Loan recipients shall sign promissory notes agreeing to teach industrial technology in Iowa for five years or to repay the loan and accrued interest according to repayment terms specified in the note.

35.1(5) Interest rate. The rate of interest shall be equal to the rate of a federal Stafford Student Loan for the year in which the recipient made application.

35.1(6) Disbursement of loan proceeds.

a. Loan proceeds will be prorated by academic term and disbursed upon receipt of the institution’s certification that the borrower is enrolled in good standing.

b. Loan checks will be made copayable to the borrower and institution and distributed to the institution’s financial aid officials.

35.1(7) Loan cancellations.

a. Thirty days following graduation, termination of enrollment at the student’s institution or termination of full-time teaching of industrial technology education in Iowa, the borrower shall notify the commission of the nature of the borrower’s employment and educational status.

b. To certify eligibility for cancellation, the borrower must submit to the commission an affidavit from the borrower's school district verifying that the borrower taught full-time in the area of industrial technology, in an Iowa school district or an accredited nonpublic school. The borrower's loan amount, including principal and interest, shall be reduced by 20 percent for each year of full-time teaching in the area of industrial technology.

c. If the borrower qualifies for partial loan cancellation, the commission shall revise the repayment schedule accordingly.

d. In the event of death or total and permanent disability, a borrower's obligation to pay this loan is canceled. Borrowers seeking forgiveness as the result of total or permanent disability must submit information substantiating the claim to the commission. Reports of a borrower's death will be referred to the school district for confirmation.

35.1(8) *Loan payments.*

a. Prior to the start of the repayment period, the commission shall provide the borrower with a repayment schedule, modified to reflect any applicable cancellation benefits.

b. It shall be the borrower's responsibility to remit payments to the commission by the fifteenth day of each month.

c. In the event the borrower fails to abide by any material provision of the promissory note or becomes more than 90 days delinquent in submitting required payments, the commission may declare the borrower in default and declare the entire unpaid balance and accrued interest on the promissory note due.

d. The borrower is responsible for notifying the commission immediately of a change of name, place of employment, or home address.

35.1(9) *Deferral of repayment.*

a. Repayment of the borrower's loan obligation may be deferred under the following circumstances: return to full-time study; active duty in the United States military service, not to exceed three years; a period of temporary disability, not to exceed three years.

b. Repayment of the borrower's loan obligation under this program is not required during periods of enrollment as an undergraduate student in the area of industrial technology, or during periods of teaching in the area of industrial technology.

c. Forbearance is a revision in repayment terms to temporarily postpone payments. It may be granted when a borrower experiences a temporary hardship and is willing but unable to pay in accordance with the repayment schedule. Borrowers remain responsible for interest accrual during forbearance periods.

The program administrator may grant forbearance for periods of less than six months; periods of greater than six months but less than one year must be approved by the executive director. Forbearance periods exceeding one year must be approved by the commission.

35.1(10) *Restrictions.* A borrower who is in default on a Stafford Student Loan, SLS Loan, Perkins/National Direct/National Defense Student Loan, Health Professions Student Loan (HPSL), or Health Education Assistance Loan (HEAL) or who owes a repayment on any Title IV grant assistance or state award shall be ineligible for loan payments. Eligibility for state aid may be reinstated upon payment in full of the delinquent obligation or by commission ruling on the basis of adequate extenuating evidence presented in appeal under the procedures set forth in 283—Chapter 5, Iowa Administrative Code.

This rule is intended to implement 1998 Iowa Acts, chapter 1215.

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